

# Analysis of the State Study

~~MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE~~

~~SUBJECT: State/Defense Staff Study~~

## I. Analysis of the Staff Study

1. The actual objective of subject study and its implementing NSC directive is to change the individual statutory responsibility of the Director of Central Intelligence for the production of national intelligence, to that of a collective responsibility of the Intelligence Advisory Committee.

2. The study accomplishes its actual objective in the NSC Directive as follows:

a. by interpreting the National Security Act of 1947 as amended in paragraph 10 b and 10 c in the following manner:

(1) "... Until the emergence of a national estimate or study from the IAC, collective responsibility is inescapable under the Act of 1947."

(2) "... The full statutory responsibility of the D/CI for the production of national intelligence becomes operative only when . . . find drafts of national estimates or studies are recommended by the IAC to the D/CI."

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b. by defining national intelligence in paragraph 2 in such a way as to prescribe its production as being a "cooperative process of preparation" (production by committee) for the purpose of integrating, (i.e. incorporating the substance of) the best intelligence opinion of the departments.

c. by providing the IAC with responsibilities in paragraph 3 for planning, prescribing scope and terms of reference, initiating projects, reviewing and accepting or rejecting drafts, and, in certain cases, producing national intelligence estimates and studies, including related liaison and coordinating functions presently allocated to the D/CI and CIA.

d. by providing in paragraphs 5, 6, and 7 an organizational realignment of the intelligence production facilities of CIA which transfers the current intelligence and estimating facilities from the jurisdiction of the D/CI (except for administration) to the functional direction and operational control of the IAC, and further which provides the IAC with responsibilities for functional direction of the remainder of CIA's intelligence production and collection machinery. (See Chart attached under Tab A.)

3. Using the National Security Act of 1947 as amended, the NSCID's, the Dulles Report and NSC 50 as terms of reference, the study asserts:

a. that experience has indicated that the quality of national intelligence estimates has not substantially improved since issuance of NSC 50 (1 July 1949).

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*reducing*  
b. that unwarranted duplication of effort as between the various agencies has continued.

4. In support of these assertions, the study states that the above conditions result in large measure from:

a. disagreement between CIA and departmental agencies as to the meaning of national intelligence.

b. inadequacies of existing mechanisms and procedures for the production of national intelligence.

c. continuing internal CIA confusion between its responsibility for producing national intelligence and miscellaneous research and reporting.

5. The study concludes that remedial action required consists of:

a. re-defining national intelligence in such terms as to prescribe the principle of collective responsibility of the IAC for its production as the criterion which distinguishes it from all other kinds of intelligence.

b. Revising existing mechanisms and procedures in accordance with the principle of collective responsibility.

c. reorganizing CIA to place its current intelligence and estimating facilities under the functional direction and operational control of the IAC, and the remainder of CIA's production and collection facilities under the functional direction of the IAC.

6. Accordingly the study recommends that the NSC:

a. approve and issue the implementing NSC directive attached to the study.

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b. place a limit on the strength of the proposed National Intelligence Group, not to exceed 100 officer and/or professional personnel of whom not more than 20 may be detailed by the departmental agencies. (Note: After the accumulation of operating experience, the D/CI, with advice and assistance of the IAC, will recommend to NSC such modifications in strength and composition of the National Intelligence Group as may be necessary.)

c. Note that the D/CI with advice and assistance of the IAC will submit revisions of existing NSCID's and D/CI's as may be required to bring those directives into conformity with the attached directive.

## II. Discussion

1. The principle of collective responsibility of the IAC for the production of national intelligence is neither present nor implied in the National Security Act of 1947 as amended. On the contrary this responsibility is clearly an individual statutory responsibility of the Director of Central Intelligence and the Central Intelligence Agency, as evidenced by the references cited below.

a. Reference Section 102 d: "...it shall be the duty of the Agency, . . . (3) to correlate and evaluate intelligence relating to the national security . . . using where appropriate existing agencies and facilities. . . . Provided further, that the departments and other agencies shall continue to collect, evaluate, correlate and disseminate departmental intelligence.

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b. Reference is made to 102 as: "...such intelligence as relates to the national security and is possessed by such departments and other agencies of the government. . . shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination."

2. Moreover, the National Security Council in NSC 50 has disavowed the principle of collective responsibility for the production of national intelligence as follows:

"... we do not believe that the Director and the IAC should be bound by the concept of collective responsibility because this would inevitably reduce coordinated national intelligence to the lowest common denominator among the agencies concerned".

3. It is therefore neither the intent of the Congress nor the NSC that the responsibility for national intelligence production should be other than an individual responsibility of the D/CI and CIA.

4. In addition to the foregoing, further objections to the principle of collective responsibility are stated as follows:

a. The primary mission of a departmental intelligence agency is to fulfill the intelligence requirements of its own Secretary or Chief of Staff, as the case may be. Because of this situation, it inevitably follows that:

b. Departmental intelligence responsibility in a given field, such as naval affairs, is undeniable. Intelligence estimates in a field of this kind may easily become "national" in importance, but they do not become "national" in character until related to other

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Shelton  
Chief of Staff  
NSC 50

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McBry  
Council member  
responsible for  
NSC 50  
to be  
No collective  
responsibility

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departmental fields of responsibility and competence. In effect this principle gives each agency an equal voice on issues outside its normal responsibilities and competence.

f. It is inescapable under any working principle of collective responsibility to avoid the pitfall of national intelligence becoming merely-coordinated intelligence which in effect is joint-intelligence, at the mercy of departmental bias. CIA came into being out of the intelligence experience of World War II wherein the JIC/JIS intelligence process resulted in reduction of intelligence to the lowest common denominator.

g. It is the individual responsibilities of the departmental agencies to CIA that are of importance here. Their individual collection effort and production effort is required and must support national intelligence production. The principle of collective responsibility merely involves them beyond their responsibilities and competence and slows down the entire national intelligence production process.

5. CIA cannot support the principle of collective responsibility on any of the bases in which it permeates the subject study. CIA does most assuredly require that the individual responsibilities of the departmental agencies to CIA in support of CIA's mission be recognized unequivocally, and be fulfilled on a priority basis upon request by CIA of the department concerned. These departmental responsibilities are delineated and included in the revised NSCIB attached hereto under Tab B.

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6. The assertion in the study that "Experience has indicated that the quality of national intelligence estimates has not substantially improved since the issuance of NSC 50" (1 July 1949) carries with it the implication that CIA's estimates are qualitatively deficient. Further the study does not identify the source of the stated "experience", nor clarify the nature of the implied qualitative deficiencies. ~~With respect to these two points:~~

a. ~~an immediate survey should be made at the policy, planning and operational levels of the government, particularly the NSC Staff and the Joint Chiefs, to determine wherein CIA's intelligence production is qualitatively inadequate in order that specific remedial action can be taken.~~

b. ~~if the "experience" cited has occurred solely at the intelligence level in one or more departments, then it would be appropriate for a discussion of particulars to be conducted within the IAC.~~

c. ~~in either event it would be ill-advised for the subject study to receive consideration by the NSC until it has been precisely determined exactly what is meant by the above stated assertion.~~

7. The charge that "unwarranted duplication of effort as between the various agencies has continued" cannot possibly apply to national intelligence production, ~~which is the subject under discussion in the~~ ~~Staff Study~~. Moreover, CIA is the only agency responsible for the production of national intelligence, therefore duplication of any kind in the field is illegal by statute and NSC intelligence directives. If, however, the assertion applies to all fields of intelligence production, it is

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believed that this assertion is more valid in theory than in fact. CIA has negotiated an Interdepartmental Operating Procedure designed to accomplish an interchange of information on projects undertaken by each of the departmental intelligence agencies. Until very recently only the Department of State has complied with the procedure. When and if the procedure becomes fully operative within each departmental agency there will be a basis upon which action can proceed to reduce such duplication as may arise.

8. The assertion that "continuing disagreement between CIA on the one hand and the departmental agencies on the other as to the meaning of national intelligence" is true, as evidenced in subject study. CIA cannot accept the definition of national intelligence which the subject study recommends in view of the fact that the definition prescribes the principle of collective responsibility of the IAC for its production as the criterion which distinguishes it from all other kinds of intelligence. Accordingly CIA has re-defined national intelligence in terms of content and end use and as an individual statutory responsibility of the Director of Central Intelligence and CIA. A copy of this definition is incorporated in Section 10, paragraph 1 of the attached NSCID under Tab B.

9. The study further charges that existing mechanisms and procedures for production of national intelligence are inadequate on the grounds that they do not insure its production in accordance with the principle of collective responsibility. Accordingly, CIA, for reasons expressed under

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Section II, paragraphs 1 through 4 on this principle cannot accept the mechanisms and procedures recommended by the study. The NSCID under Tab B attached hereto, prescribes mechanisms and procedures which are acceptable to CIA and which will provide for the more effective production of national intelligence if the authorities of the Director contained therein are approved by the NSC.

10. The so-called "continuing internal CIA confusion" between its responsibilities for producing national intelligence and miscellaneous research and reporting has become an over-worked catch phrase and actually stems from external confusion regarding the individual as distinguished from the collective departmental responsibilities to CIA in support of national intelligence production. As long as the departmental agencies neglect to meet their individual responsibilities to CIA, then CIA is required to engage in the production of such miscellaneous intelligence as may be necessary to provide the intelligence basis and framework required in the production of national intelligence estimates.

### III. Conclusions

1. ~~That CIA must reject the subject study as being unacceptable on the grounds that the (a)~~ assertions in the study are not supported in fact and contain implications which must be clarified prior to referral of the issue raised by this study to the NSC, and (b) that the principle of collective responsibility of the IAC for the production of national intelligence is in conflict with the National Security Act of 1947 as

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amended, that this principle has been disavowed by the National Security Council in NSC 50 dated 1 July 1949, and further, that this principle is invalid on the grounds that it violates the concept of a strong Central Intelligence Agency, removes the control and authority of the Director of Central Intelligence over mechanisms presently available to him to discharge responsibilities for which he is held solely responsible, and that it imposes duties upon the departmental agencies which exceed their particular responsibilities and competence.

2. That the subject study probably originated at the intelligence level of the Department in view of its strong resemblance to one of the four Armstrong proposals.

3. ~~That in view of the emergence of subject study, CIA should press for NSC action on its attached draft NSCID.~~

#### IV. Recommendations

1. That you forward ~~the letter attached under Tab C, in reply to Mr. Webb, enclosing a copy of the NSCID included under Tab B.~~

THEODORE BAEBITT  
Assistant Director  
Reports and Estimates

#### CONCURRENCE

Executive, CIA

General Counsel

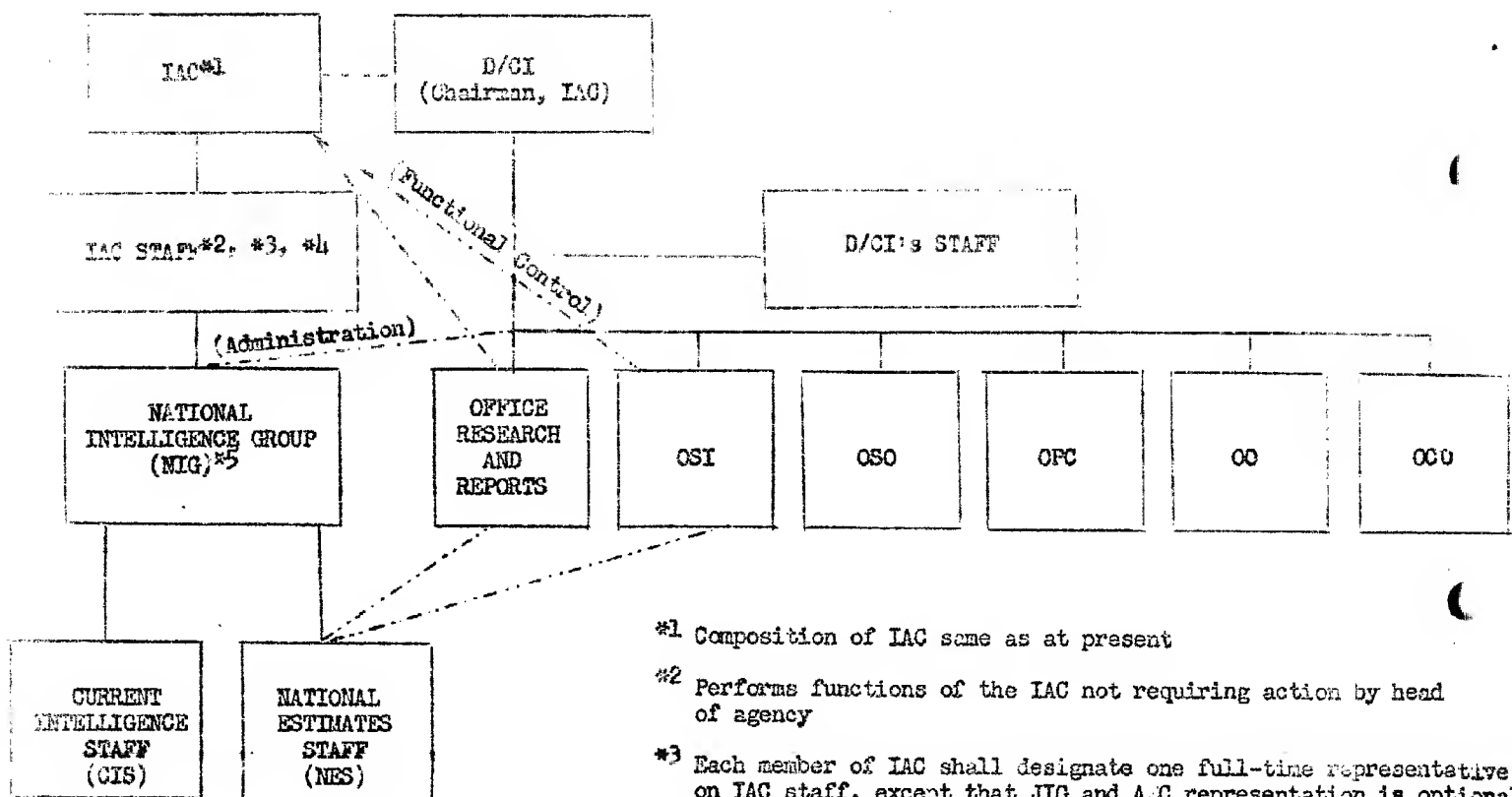
Chief, COAPS

Chief, OSI

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*ORE's* Organizational Realignment of the IAC and CIA Proposed in the NSC Directive  
Accompanying the State/Defense Staff Study on the Production of National Intelligence  
Dated 1 May 1950



\*1 Composition of IAC same as at present

\*2 Performs functions of the IAC not requiring action by head of agency

\*3 Each member of IAC shall designate one full-time representative on IAC staff, except that JIG and AIC representation is optional

\*4 Chief, NIG, is D/CI's representative on IAC staff

\*5 Strength of NIG is limited initially to 100 officer and/or professionals, 20 of which may be nominated by departmental agencies

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REMARKS: *This draft represents the combined presentation of ORE, OSI and Gen Counsel.*

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Montague? Houston?

ORE comment -  
state study